

201 South Grand Avenue East
Springfield, Illinois 62763-0002

Telephone: 1-877-782-5565
TTY: 1-800-526-5812

INFORMATIONAL NOTICE

DATE: July 7, 2006

TO: Participating Hospitals, Including Out-of-State Hospitals in Counties
Contiguous to Illinois

Attention: Chief Executive Officers, Chief Financial Officers and
Patient Accounts Managers

RE: Review and Payment Process for Department of Human Services Funded
SASS Inpatient Stays

The purpose of this notice is to advise hospitals of a clarification to the Department of Human Services (DHS) review/payment process for DHS funded inpatient stays when no application for medical assistance is filed. The policies addressed in this notice apply to out-of-state hospitals only if they are located in counties contiguous to Illinois.

In an informational notice dated March 6, 2006, hospitals were notified that claims received by Healthcare and Family Services (HFS) on or after March 15, 2006, for DHS funded children and adolescents enrolled in SASS would be subject to suspension and denial, if no application for medical assistance was filed. The notice reiterated the hospital's responsibility to assist the family in filing the application.

The attached table clarifies the review and payment methodology DHS will use for claims received by HFS on or after March 15, 2006. To accommodate the DHS payment methodology, HFS will utilize a manual adjustment procedure when processing payments at the base rate. After these claims are systematically adjudicated at the full rate, HFS will manually adjust the claims DHS has determined to be eligible for reimbursement at the base rate. Hospitals will receive a remittance advice showing the initial full payment of the claim and then another remittance advice will be generated at the time the adjustment is processed. To assist hospitals in identifying these claims, HFS will use a new adjustment Reason Code #4902 "DHS No Application" that will be reported on the remittance advice.

Any questions regarding this notice may be directed to the DHS Children and Adolescent Services unit at 773-794-4875.



Anne Marie Murphy, Ph.D.
Administrator
Division of Medical Programs

**Payment Methodology for DHS Funded
SASS Inpatient Stays
For claims received on or after March 15, 2006**

Admission Date	Application on File	DHS Exception Granted	Payment Methodology
Prior to December 15, 2005	NA	NA	Claim paid at base rate only. ¹
December 15, 2005 thru March 14, 2006	Yes	No	Claim paid at base rate, plus eligible add-ons. ²
	No	Yes	Claim paid at base rate, plus eligible add-ons.
	No	No	Claim paid at base rate only.
On or after March 15, 2006	Yes	No	Claim paid at base rate, plus eligible add-ons.
	No	Yes	Claim paid at base rate, plus eligible add-ons.
	No	No	Claim rejects. Error Code A77- No Medicaid Application Was Filed-reported on remittance advice. If SASS was involved in discharge planning, hospital may rebill and be reimbursed for the admission date only. All other days and charges incurred during the stay must be shown as non-covered.

¹ The base rate is the applicable per diem rate if the hospital is enrolled for inpatient psychiatric services, or is the DRG rate if the hospital is not enrolled to provide inpatient psychiatric services and bills a maximum of three days of emergency psychiatric services.

² Add-on payments include Disproportionate Share Hospital Adjustment Payments, Medicaid High Volume Adjustment Payments, and Medicaid Percentage Adjustment Payments for which the hospital qualifies.